

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100020009-3

~~CONFIDENTIAL~~

12 December 1951.

Memorandum of Understanding

1. A review of the work load in the Current Audit Section, CAL Branch of Finance Division, revealed some 4 to 6 months' backlog of Station accountings. Accounting reports are received currently from approximately [] stations and increase this backlog as the current auditing facilities are inadequate to handle the current work, much less alleviate any of the backlog. Due to this situation, the detailed audit being performed on station accountings is ineffective since exceptions are taken against a station from 4 to 6 months after the transaction was consummated and the responsible person has frequently been transferred to a different station, or it is undesirable if not impossible to obtain a vendor's receipt, invoice, or other documentation and post facto approval.

2. This problem was discussed at a meeting held in 2000 I Building on Friday 7 December 1951 with [REDACTED], and [REDACTED]. At the suggestion of [REDACTED] it was resolved that certain detailed audit now being conducted on station accountings would be discontinued until such time as the facilities of the Current Audit Section can be increased to insure that the audit can be maintained currently, and that the following procedures will be inaugurated:

(a) The accompanying reports now on hand from all stations will be reviewed and a list prepared setting forth those stations which normally submit correct reports and have only minor exceptions taken in the process of audit.

(b) Upon concurrence of the Audit Office, no further audit by the Current Audit Section of the Finance Division or by the Audit Office will be made of the station other than accounting for cash and advances until such time as there are adequate facilities to keep current the audit of these stations.

(c) Necessary action will be taken to clear items previously suspended against all stations and errors detected in current reconciliations.

(d) All stations will be reconciled currently with regard to cash items, i.e., cash on hand and advances outstanding, and the stations not listed, together with new stations established since the last complete audit as has been done in the past.

(e) The Certifying Officers are relieved of the responsibility of certifying those stations for which such stations have been permanently discontinued.

Approved For Release 09-08-13 CIA-RDP78-05256A000100020009-3

~~CONFIDENTIAL~~

~~SECRET~~

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100020009-3

3. A list is attached showing the stations and dates at which audit has been discontinued.

Attachment

CONCURRENCE:

25X1A9a



25X1A9a



AUDIT OFFICER

25X1A9a

Signed: 
Deputy COMPTROLLER

Approved For Release 1999/08/30 : CIA-RDP78-05256A000100020009-3

~~SECRET~~